

SIERRA COUNTY ECONOMIC FORECAST

The Sierra County economy is contracting. In 2017 it lost 30 jobs, representing the third straight year of declines. By contrast, the statewide economy created jobs at a rate of 2.0 percent.

In 2017 approximately 20 jobs were lost in the goods-producing industries, which include construction, manufacturing, utilities, and natural resource extraction.

Approximately 10 jobs were lost in the service providing industries, which include wholesale and retail trade, transportation services, professional business services, healthcare, and other related sectors.

Government agencies shed 10 jobs by 2017, with total government employment falling to 350 workers. Virtually all of Sierra County government jobs are in public schools, as well as state and municipal agencies.

The unemployment rate improved substantially last year, falling from 7.6 percent in 2016 to 6.5 percent in 2017. But it is still much higher than most parts of California. This is largely due to the county's prominent share of public school workers, who are often unemployed during the summer months. Because of this dynamic, the Sierra County unemployment rate is already approaching its lowest sustainable level. By 2019 or 2020, it should reach its lowest sustainable level, at which point it will struggle to improve further.

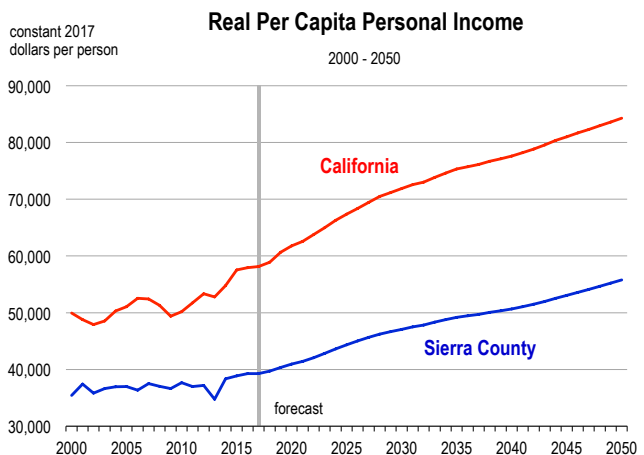
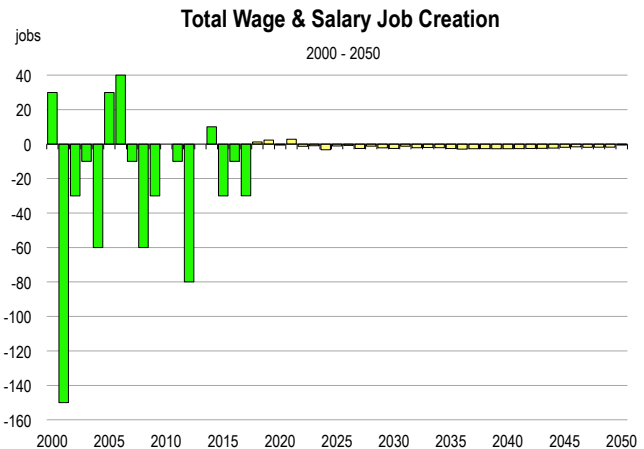
Sierra County's population has been declining for almost two decades. Net migration has been negative, with more people moving out of the county than moving in. At the same time there have been more deaths than births, causing the population to shrink.

Due to a slowly-growing economy and a shrinking population, homebuilding activity has been minimal. Between 2012 and 2017, an average of only 6 homes were built each year. The same is true for commercial and industrial construction. Over the last five years, only \$300,000 has been invested into non-residential structures annually, with the majority going to renovations of existing buildings.

Population decline is expected to continue in Sierra County, placing the economy at risk of long-term stagnation. Stagnant economies are often characterized by subpar job creation, slow income growth, and insufficient public revenues, preventing living conditions from improving and making it difficult for local governments to provide adequate public services.

FORECAST HIGHLIGHTS

- Job growth of 0.2 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.1 percent.
- Between 2018 and 2023, meaningful job creation is not expected in any primary sector. The goods-producing industries are



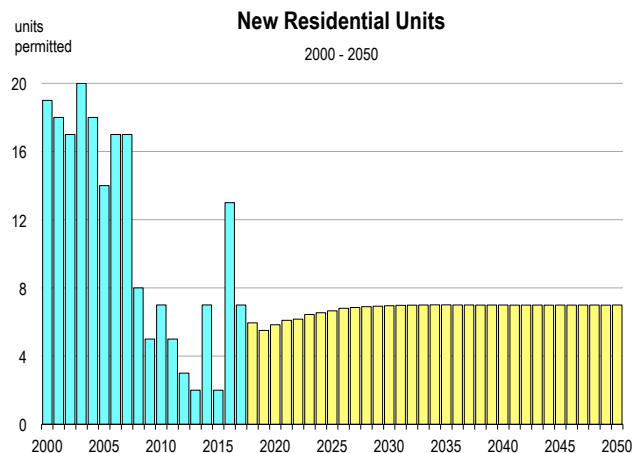
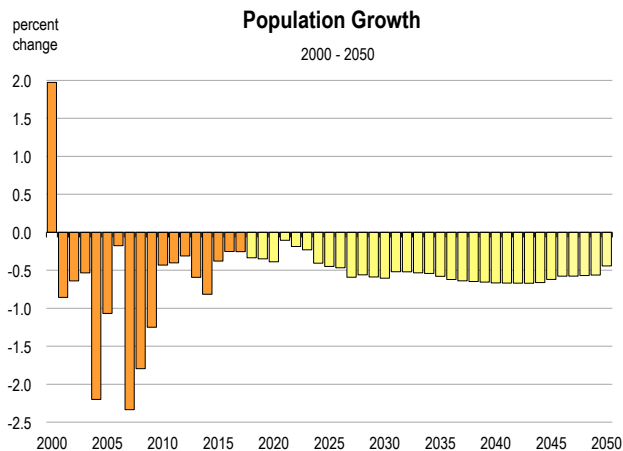
forecast to create fewer than 10 new jobs. The service-providing and government industries are expected to remain stagnant, neither adding nor losing a substantial number of jobs.

- Average salaries are below the California average, and will remain so over the foreseeable future. In Sierra County, inflation-adjusted salaries are expected to rise by 0.9 percent per year from 2018 to 2023, which will be slower than statewide growth.
- An average of 6 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few (potentially none) will be apartments.
- The population is expected to decline by 0.3 percent per year from 2018 to 2023. A small number of net migrants could enter the county, but deaths will continue to outnumber births.

Sierra County Economic Forecast

2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	3,229	-7	5.4	1.5	7	\$19.29	\$105.06	\$37,687	1.3	7.5	7.2	15.4
2011	3,216	4	5.3	1.5	5	\$16.47	\$105.36	\$36,969	2.7	9.6	4.4	14.9
2012	3,206	0	5.3	1.5	3	\$25.90	\$108.00	\$37,181	2.7	10.1	7.1	14.4
2013	3,187	0	5.3	1.4	2	\$17.97	\$101.78	\$34,743	2.3	10.7	7.3	12.8
2014	3,161	0	5.4	1.4	7	\$19.68	\$113.46	\$38,346	2.8	11.3	10.3	10.1
2015	3,149	0	5.5	1.4	2	\$19.29	\$116.19	\$38,854	2.6	10.6	10.5	8.8
2016	3,141	0	5.6	1.4	13	\$21.53	\$119.78	\$39,258	3.1	10.8	12.8	7.6
2017	3,133	0	5.6	1.4	7	\$22.93	\$123.04	\$39,274	3.2	10.8	7.7	6.5
2018	3,122	2	5.6	1.4	6	\$23.85	\$128.21	\$39,725	3.7	10.8	9.2	6.0
2019	3,112	2	5.7	1.4	6	\$24.92	\$132.77	\$40,335	3.1	10.8	9.7	5.8
2020	3,099	1	5.8	1.4	6	\$26.33	\$138.75	\$40,936	4.1	10.8	9.8	6.0
2021	3,096	10	5.8	1.4	6	\$27.62	\$144.38	\$41,420	3.6	10.9	10.9	6.2
2022	3,090	9	5.9	1.5	6	\$28.97	\$150.26	\$42,049	3.5	10.9	10.9	6.2
2023	3,083	8	6.0	1.5	6	\$30.48	\$156.73	\$42,836	3.4	10.9	11.0	6.4
2024	3,071	3	6.1	1.5	7	\$32.02	\$162.93	\$43,639	3.3	10.9	10.5	6.6
2025	3,057	2	6.2	1.5	7	\$33.50	\$168.70	\$44,357	3.1	10.9	10.6	6.8
2026	3,043	1	6.2	1.5	7	\$34.95	\$174.24	\$45,013	3.1	10.9	10.7	6.9
2027	3,025	-2	6.3	1.5	7	\$36.40	\$179.55	\$45,672	3.0	10.9	10.4	7.0
2028	3,008	0	6.3	1.5	7	\$37.83	\$184.78	\$46,242	3.3	10.9	10.5	7.0
2029	2,990	-1	6.3	1.5	7	\$39.19	\$189.56	\$46,648	3.1	10.9	10.3	7.1
2030	2,972	-1	6.4	1.5	7	\$40.52	\$194.27	\$47,061	3.0	10.9	9.9	7.1
2031	2,957	1	6.4	1.5	7	\$41.87	\$199.12	\$47,493	2.9	10.9	9.9	7.1
2032	2,941	1	6.4	1.5	7	\$43.25	\$204.04	\$47,819	3.1	10.9	9.6	7.1
2033	2,926	1	6.4	1.5	7	\$44.65	\$209.01	\$48,328	2.7	10.9	9.3	7.1
2034	2,910	1	6.4	1.5	7	\$46.13	\$214.17	\$48,768	2.9	10.9	8.9	7.1
2035	2,893	0	6.4	1.5	7	\$47.68	\$219.53	\$49,196	3.0	10.9	8.4	7.1
2036	2,875	-2	6.4	1.5	7	\$49.30	\$225.08	\$49,471	3.4	10.9	7.8	7.1
2037	2,856	-2	6.4	1.5	7	\$50.97	\$230.84	\$49,720	3.5	10.9	7.3	7.1
2038	2,838	-2	6.4	1.5	7	\$52.69	\$236.72	\$50,067	3.3	10.9	6.8	7.1
2039	2,819	-2	6.4	1.5	7	\$54.50	\$242.82	\$50,338	3.5	10.9	6.2	7.1
2040	2,801	-2	6.4	1.5	7	\$56.35	\$249.01	\$50,650	3.4	10.9	5.6	7.1
2041	2,782	-2	6.4	1.5	7	\$58.26	\$255.33	\$51,059	3.2	10.9	5.0	7.1
2042	2,763	-3	6.4	1.5	7	\$60.23	\$261.70	\$51,502	3.1	10.9	4.4	7.1
2043	2,745	-3	6.4	1.5	7	\$62.25	\$268.15	\$51,984	3.0	10.9	3.7	7.1
2044	2,727	-3	6.4	1.5	7	\$64.33	\$274.68	\$52,553	2.8	10.9	3.1	7.1
2045	2,710	-2	6.4	1.5	7	\$66.51	\$281.58	\$53,041	3.0	10.9	2.6	7.1
2046	2,694	-1	6.5	1.5	7	\$68.73	\$288.68	\$53,572	2.9	10.9	2.1	7.1
2047	2,678	-1	6.5	1.5	7	\$71.03	\$295.95	\$54,101	2.9	10.9	1.6	7.1
2048	2,663	-2	6.5	1.5	7	\$73.41	\$303.47	\$54,647	2.9	10.9	1.0	7.1
2049	2,648	-2	6.5	1.5	7	\$75.89	\$311.29	\$55,213	2.9	10.9	0.3	7.1
2050	2,636	1	6.6	1.6	7	\$78.45	\$319.64	\$55,774	2.9	10.9	0.3	7.1

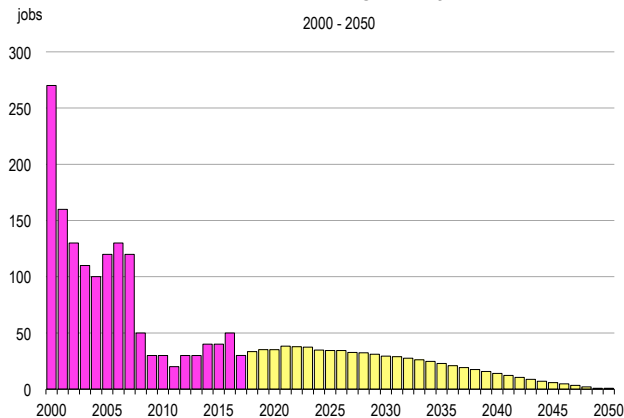


Sierra County Employment Forecast

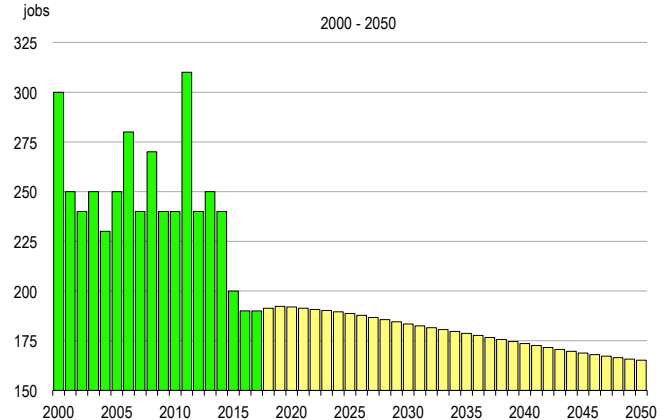
2010-2017 History, 2018-2050 Forecast

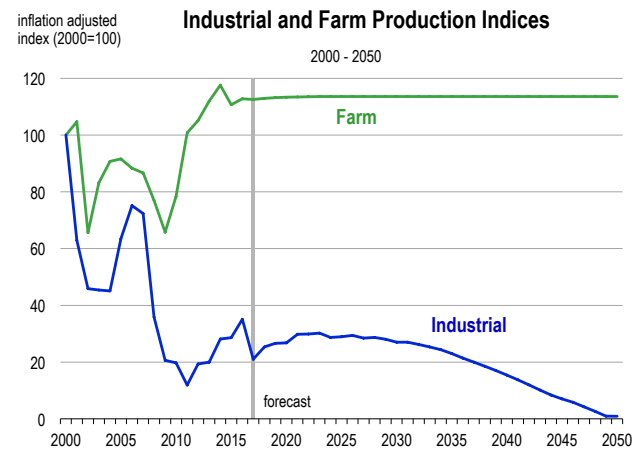
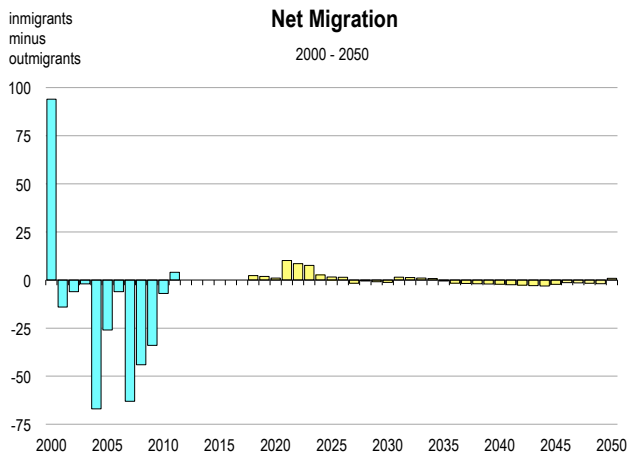
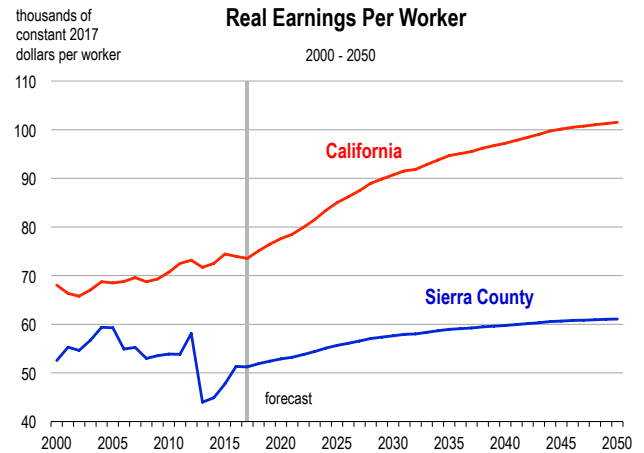
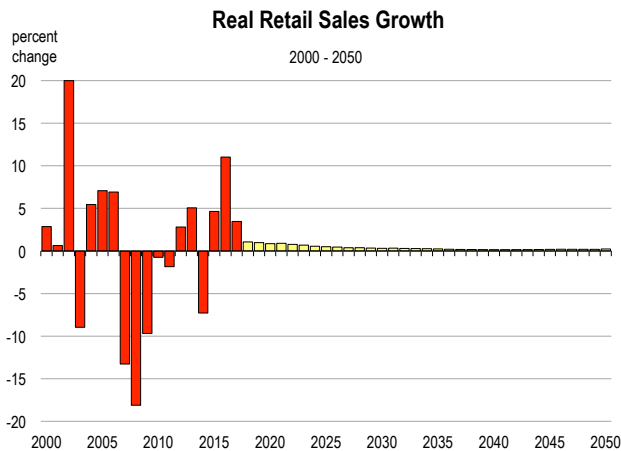
	Total Wage & Salary	Farm	Goods Producing	Services	Government
	-----employment (thousands of jobs)-----				
2010	0.740	0.020	0.030	0.240	0.450
2011	0.730	0.010	0.020	0.310	0.390
2012	0.650	0.010	0.030	0.240	0.370
2013	0.650	0.020	0.030	0.250	0.350
2014	0.660	0.020	0.040	0.240	0.360
2015	0.630	0.020	0.040	0.200	0.370
2016	0.620	0.020	0.050	0.190	0.360
2017	0.590	0.020	0.030	0.190	0.350
2018	0.591	0.020	0.033	0.191	0.346
2019	0.594	0.020	0.035	0.192	0.346
2020	0.593	0.020	0.035	0.192	0.346
2021	0.596	0.020	0.038	0.191	0.347
2022	0.595	0.020	0.038	0.191	0.346
2023	0.594	0.020	0.037	0.190	0.346
2024	0.591	0.020	0.035	0.190	0.346
2025	0.590	0.020	0.034	0.189	0.347
2026	0.589	0.020	0.034	0.188	0.347
2027	0.586	0.020	0.033	0.187	0.347
2028	0.585	0.020	0.032	0.186	0.347
2029	0.583	0.020	0.031	0.185	0.347
2030	0.580	0.020	0.029	0.183	0.348
2031	0.579	0.020	0.029	0.182	0.348
2032	0.577	0.020	0.028	0.182	0.348
2033	0.575	0.020	0.026	0.181	0.348
2034	0.573	0.020	0.025	0.180	0.349
2035	0.570	0.020	0.023	0.179	0.349
2036	0.568	0.020	0.021	0.178	0.349
2037	0.565	0.020	0.019	0.177	0.349
2038	0.562	0.020	0.017	0.176	0.349
2039	0.560	0.020	0.016	0.175	0.349
2040	0.557	0.020	0.014	0.174	0.349
2041	0.554	0.020	0.012	0.173	0.349
2042	0.552	0.020	0.011	0.172	0.350
2043	0.549	0.020	0.009	0.171	0.350
2044	0.547	0.020	0.007	0.170	0.350
2045	0.545	0.020	0.006	0.169	0.350
2046	0.544	0.020	0.005	0.168	0.351
2047	0.542	0.020	0.003	0.167	0.351
2048	0.540	0.020	0.002	0.166	0.351
2049	0.538	0.020	0.001	0.166	0.352
2050	0.538	0.020	0.001	0.165	0.352

Goods Producing Employment



Employment in Services





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	4.3%
Expected job growth:	0.5%
Fastest growing jobs sector:	Goods Producing
Expected personal income growth:	6.5%

Expected population growth:	-1.3%
Net migration to account for:	N/A
Expected growth in number of vehicles:	6.8%

Demographics (2018)

Unemployment rate (April 2018):	6.0%
County rank* in California (58 counties):	42nd
Working age (16-64) population:	57.9%

Population with B.A. or higher:	18.7%
Median home selling price (2017):	\$160,000
Median household income:	\$48,161

Quality of Life

Violent crime rate (2016):	446 per 100,000 persons
County rank* in California (58 counties):	35th
Average commute time to work (2018):	32 minutes

High School drop out rate (2017):	4.0%
Households at/below poverty line (2018):	7.2%

* The county ranked 1st corresponds to the lowest rate in California